

109TH CONGRESS
1ST SESSION

S. 1724

To provide assistance for small businesses damaged by Hurricane Katrina,
and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 19, 2005

Ms. SNOWE (for herself, Mr. VITTER, and Mr. TALENT) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To provide assistance for small businesses damaged by
Hurricane Katrina, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Small Business, Homeowners, and Renters Disaster Re-
6 lief Act of 2005”.

7 (b) TABLE OF CONTENTS.—The table of contents for
8 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Disaster loans.
- Sec. 3. Development company debentures.
- Sec. 4. Small business emergency relief.

Sec. 5. Entrepreneurial development.
 Sec. 6. Small Business Development Centers.
 Sec. 7. HUBZones.
 Sec. 8. Outreach programs.
 Sec. 9. Small business bonding threshold.
 Sec. 10. Supplemental emergency loans.
 Sec. 11. Small business participation.
 Sec. 12. Energy emergency relief.
 Sec. 13. Budgetary Treatment of Loans and Financings.
 Sec. 14. Emergency spending.

1 SEC. 2. DISASTER LOANS.

2 Section 7(b) of the Small Business Act (15 U.S.C.
 3 636(b)) is amended by inserting immediately after para-
 4 graph (3) the following:

5 “(4) DISASTER LOANS AFTER HURRICANE
 6 KATRINA.—

7 “(A) ADDITIONAL LOAN AUTHORITY.—

8 “(i) LOANS TO SMALL BUSINESSES.—

9 In addition to any other loan authorized by
 10 this subsection, the Administrator may
 11 make such loans under this subsection (ei-
 12 ther directly or in cooperation with banks
 13 or other lending institutions through agree-
 14 ments to participate on an immediate or
 15 deferred basis) as the Administrator deter-
 16 mines appropriate to a small business con-
 17 cern or small agricultural cooperative that
 18 demonstrates a direct adverse economic
 19 impact caused by Hurricane Katrina,
 20 based on such criteria as the Adminis-

trator may set by rule, regulation, or order.

“(ii) LOANS TO NONPROFITS.—In addition to any other loan authorized by this subsection, the Administrator may make such loans under this subsection (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administrator determines appropriate to a non-profit organization for purposes of repairing damage caused by Hurricane Katrina or performing other hurricane relief services in a damaged area.

“(B) INCREASED LOAN CAPS.—

“(i) AGGREGATE LOAN AMOUNTS.—Except as provided in clause (ii), the aggregate loan amount outstanding and committed to a qualified borrower in a damaged area under this paragraph may not exceed \$10,000,000.

“(ii) WAIVER AUTHORITY.—The Administrator may, at the discretion of the

1 Administrator, waive the aggregate loan
2 amount established under clause (i).

3 “(C) DEFERMENT OF DISASTER LOAN PAY-
4 MENTS.—

5 “(i) IN GENERAL.—Notwithstanding
6 any other provision of law, payments of
7 principal and interest on a loan to a quali-
8 fied borrower located in a damaged area
9 made under this subsection before, on, or
10 after the date of enactment of this para-
11 graph shall be deferred, and no interest
12 shall accrue with respect to such loan, dur-
13 ing the time period described in clause (ii).

14 “(ii) TIME PERIOD.—The time period
15 for purposes of clause (i) shall be 1 year
16 from the later of the date of enactment of
17 this paragraph or the date of issuance of
18 a loan described in clause (i), but may be
19 extended to 2 years from such date, at the
20 discretion of the Administrator.

21 “(iii) RESUMPTION OF PAYMENTS.—
22 At the end of the time period described in
23 clause (ii), the payment of periodic install-
24 ments of principal and interest shall be re-
25 quired with respect to such loan, in the

1 same manner and subject to the same
2 terms and conditions as would otherwise be
3 applicable to any other loan made under
4 this subsection.

5 “(D) DEFINITIONS.—In this paragraph,
6 the following definitions shall apply:

7 “(i) DAMAGED AREA.—The term
8 ‘damaged area’ means an area which the
9 President has designated as a disaster area
10 as a result of Hurricane Katrina of August
11 2005.

12 “(ii) QUALIFIED BORROWER.—The
13 term ‘qualified borrower’ means a small
14 business concern or non-profit organiza-
15 tion—

16 “(I) located in a damaged area;

17 or

18 “(II) located in a State contig-
19 uous to a damaged area that is using,
20 or intends to use, a loan made under
21 this subsection for purposes of re-
22 building or conducting operations in a
23 damaged area.”.

1 **SEC. 3. DEVELOPMENT COMPANY DEBENTURES.**

2 Section 503 of the Small Business Investment Act
3 of 1958 (15 U.S.C. 697) is amended by adding at the end
4 the following:

5 “(j) DEBENTURES AFTER HURRICANE KATRINA.—

6 “(1) AUTHORITY.—

7 “(A) IN GENERAL.—In addition to any
8 other guarantee authorized by this section, the
9 Administrator may guarantee the timely pay-
10 ment of all principal and interest as scheduled
11 on any debenture issued for purposes of re-
12 building or resuming operations in a damaged
13 area, as the Administrator determines appro-
14 priate.

15 “(B) TERMS.—The Administrator shall es-
16 tablish a fee for a guarantee issued under sub-
17 paragraph (A) that is lower than that for other
18 guarantees under this section.

19 “(2) EXISTING GUARANTEES.—

20 “(A) IN GENERAL.—Notwithstanding any
21 other provision of law, the Administrator may
22 temporarily defer payments of principal and in-
23 terest on a guarantee made under this section
24 before the date of enactment of this subsection
25 to a small business concern in a damaged area,

1 in any case in which the payments are owed to
2 the Administration.

3 “(B) PAYMENTS TO OTHER PARTIES.—

4 Notwithstanding any other provision of law, the
5 Administrator may temporarily make payments
6 of principal and interest on a loan made under
7 this section before the date of enactment of this
8 subsection to a small business concern in a
9 damaged area, in any case in which the pay-
10 ments are owed to a person other than the Ad-
11 ministration.

12 “(C) TERMINATION OF AUTHORITY.—The

13 authority to defer, or make, payments under
14 this paragraph shall terminate 1 year after the
15 date of enactment of this subsection.

16 “(3) DEFINITIONS.—In this subsection, the fol-
17 lowing definitions shall apply:

18 “(A) DAMAGED AREA.—The term ‘dam-

19 aged area’ means an area which the President
20 has designated as a disaster area as a result of
21 Hurricane Katrina of August 2005.

22 “(B) QUALIFIED BORROWER.—The term

23 ‘qualified borrower’ means a small business con-
24 cern—

25 “(i) located in a damaged area; or

1 “(ii) that demonstrates a direct ad-
 2 verse economic impact caused by Hurri-
 3 cane Katrina, based on such criteria as the
 4 Administrator may set by rule, regulation,
 5 or order.”.

6 **SEC. 4. SMALL BUSINESS EMERGENCY RELIEF.**

7 (a) DEFINITIONS.—As used in this section—

8 (1) the term “small business concern” has the
 9 same meaning as in section 3 of the Small Business
 10 Act; and

11 (2) the terms “Administration” and “Adminis-
 12 trator” mean the Small Business Administration
 13 and the Administrator thereof, respectively.

14 (b) BUSINESS LOAN PROGRAMS.—Section 20(e) of
 15 the Small Business Act (15 U.S.C. 631 note) is amend-
 16 ed—

17 (1) by striking “\$25,050,000,000” and insert-
 18 ing “\$30,550,000,000”; and

19 (2) in paragraph (1)(B)—

20 (A) by striking “\$17,000,000,000” and in-
 21 serting “\$20,000,000,000”;

22 (B) by striking “\$7,500,000,000” and in-
 23 serting “\$10,000,000,000”; and

24 (C) by striking “25,050,000,000” and in-
 25 serting “30,550,000,000”.

1 (c) GRANTS TO STATES DAMAGED BY HURRICANE
 2 KATRINA.—There is authorized to be appropriated, and
 3 there is appropriated, to the Department of Commerce
 4 \$400,000,000 to provide, through appropriate government
 5 agencies in Louisiana, Alabama, Mississippi, Texas, and
 6 Florida, to provide bridge grants and loans to small busi-
 7 ness concerns located in the area which the President has
 8 designated as a disaster area as a result of Hurricane
 9 Katrina, to assist in covering costs of such concerns until
 10 they are able to obtain loans through Administration as-
 11 sistance programs or other sources.

12 (d) DISASTER LOAN ADDITIONAL AMOUNTS.—In ad-
 13 dition to any other amounts otherwise appropriated for
 14 such purpose, there is authorized to be appropriated, and
 15 there is appropriated, to the Administration \$86,000,000,
 16 to make loans under section 7(b) of the Small Business
 17 Act.

18 (e) OTHER DISASTER LOANS FOLLOWING HURRI-
 19 CANE KATRINA.—

20 (1) IN GENERAL.—Paragraph (4) of section
 21 7(b) of the Small Business Act (15 U.S.C. 636(b)),
 22 as added by this Act, is amended by adding at the
 23 end the following:

24 “(E) REFINANCING DISASTER LOANS
 25 AFTER HURRICANE KATRINA.—

1 “(i) IN GENERAL.—Any loan made
2 under this subsection that was outstanding
3 as to principal or interest on August 24,
4 2005, may be refinanced by a small busi-
5 ness concern that is located in an area des-
6 ignated by the President as a disaster area
7 as a result of Hurricane Katrina of 2005
8 (in this paragraph referred to as the ‘dis-
9 aster area’), and the refinanced amount
10 shall be considered to be part of the new
11 loan for purposes of this subparagraph.

12 “(ii) NO EFFECT ON ELIGIBILITY.—A
13 refinancing under clause (i) by a small
14 business concern shall be in addition to
15 any other loan eligibility for that small
16 business concern under this Act.

17 “(F) REFINANCING BUSINESS DEBT.—

18 “(i) IN GENERAL.—Any business debt
19 of a small business concern that was out-
20 standing as to principal or interest on Au-
21 gust 24, 2005, may be refinanced by the
22 small business concern if it is located in
23 the disaster area. With respect to a refi-
24 nancing under this clause, payments of
25 principal shall be deferred, and interest

1 may accrue, during the 1-year period fol-
2 lowing the date of refinancing, and the re-
3 financed amount shall be considered to be
4 part of a new loan for purposes of this
5 subparagraph.

6 “(ii) RESUMPTION OF PAYMENTS.—At
7 the end of the 1-year period described in
8 clause (i), the payment of periodic install-
9 ments of principal and interest shall be re-
10 quired with respect to such loan, in the
11 same manner and subject to the same
12 terms and conditions as would otherwise be
13 applicable to any other loan made under
14 this subsection.

15 “(G) TERMS.—A loan under subparagraph
16 (E) or (F) shall be made at the same interest
17 rate as economic injury loans under paragraph
18 (2).

19 “(H) EXTENDED APPLICATION PERIOD.—
20 Notwithstanding any other provision of law, the
21 Administrator shall accept applications for as-
22 sistance under paragraphs (1) and (4) until one
23 year after the date on which the President des-
24 ignated the area as a disaster area as a result
25 of Hurricane Katrina.

1 “(I) NO SALE.—No loan under this sub-
 2 section made as a result of Hurricane Katrina
 3 may be sold.”.

4 (2) CLERICAL AMENDMENTS.—Section 7(b) of
 5 the Small Business Act (15 U.S.C. 636(b)) is
 6 amended in the undesignated matter at the end—

7 (A) by striking “, (2), and (4)” and insert-
 8 ing “and (2)”; and

9 (B) by striking “, (2), or (4)” and insert-
 10 ing “(2)”.

11 **SEC. 5. ENTREPRENEURIAL DEVELOPMENT.**

12 In addition to any other amounts authorized for any
 13 fiscal year, there are authorized to be appropriated, and
 14 there is appropriated, to the Administration, to remain
 15 available until expended, for fiscal year 2006—

16 (1) \$21,000,000, to be used for activities of
 17 small business development centers pursuant to sec-
 18 tion 21 of the Small Business Act, \$15,000,000 of
 19 which shall be non-matching funds and used to aid
 20 and assist small business concerns affected by Hur-
 21 ricane Katrina;

22 (2) \$2,000,000, to be used for the SCORE pro-
 23 gram authorized by section 8(b)(1) of the Small
 24 Business Act, for the activities described in section
 25 8(b)(1)(B)(ii) of that Act, \$1,000,000 of which shall

1 be used to aid and assist small business concerns af-
 2 fected by Hurricane Katrina;

3 (3) \$4,500,000, to be used for activities of
 4 women's business centers authorized by section
 5 29(b) of the Small Business Act and for recipients
 6 of a grant under section 29(l) of that Act,
 7 \$2,500,000 of which shall be non-matching funds
 8 used to aid and assist small business concerns af-
 9 fected by Hurricane Katrina, which may also be
 10 made available to a women's business center whose
 11 5-year project ended in fiscal year 2004;

12 (4) \$1,250,000, to be used for activities of the
 13 office of veteran's business development pursuant to
 14 section 32 of the Small Business Act, \$750,000 of
 15 which shall be used to aid and assist small business
 16 concerns affected by Hurricane Katrina; and

17 (5) \$5,000,000, to be used for activities of the
 18 microloan program authorized by clauses (ii) and
 19 (iii) of section 7(m)(1)(G) of the Small Business Act
 20 to aid and assist small business concerns adversely
 21 affected by Hurricane Katrina.

22 **SEC. 6. SMALL BUSINESS DEVELOPMENT CENTERS.**

23 Section 21(a)(4) of the Small Business Act (15
 24 U.S.C. 648(a)(4)) is amended by adding at the end the
 25 following:

1 “(D) FISCAL YEARS 2005 AND 2006.—For
 2 fiscal years 2005 and 2006, the Administrator
 3 has the authority to waive the maximum
 4 amount of \$100,000 for grants under para-
 5 graph (C)(viii) for small business development
 6 centers assisting small business concerns ad-
 7 versely affected by Hurricane Katrina.”.

8 **SEC. 7. HUBZONES.**

9 Section 3(p)(1) of the Small Business Act (15 U.S.C.
 10 632(p)(1)) is amended—

- 11 (1) in subparagraph (D), by striking “or”;
- 12 (2) in subparagraph (E), by striking the period
- 13 and inserting “; or”; and
- 14 (3) by adding at the end the following:

15 “(F) the Hurricane Katrina disaster area,
 16 as designated by the Administrator.”.

17 **SEC. 8. OUTREACH PROGRAMS.**

18 (a) IN GENERAL.—Not later than 90 days after the
 19 date of enactment of this Act, the Administrator of the
 20 Small Business Administration shall establish a con-
 21 tracting outreach and technical assistance program for
 22 small business concerns which have had a primary place
 23 of business in, or other significant presence in the Hurri-
 24 cane Katrina disaster area at any time following the 60

1 days prior to the designation of such area by the Adminis-
2 trator.

3 (b) ADMINISTRATOR ACTION.—The Administrator
4 may fulfill the requirement of subsection (a) by acting
5 through—

6 (1) the Small Business Administration;

7 (2) the Federal agency small business officials
8 designated under Section 15(k)(1) of the Small
9 Business Act (15 U.S.C. 644(k)(1)); and

10 (3) any Federal, State, or local government en-
11 tity, higher education institution, or private non-
12 profit organization that the Administrator may deem
13 proper, upon conclusion of a memorandum of under-
14 standing or assistance agreement, as appropriate,
15 with the Administrator.

16 **SEC. 9. SMALL BUSINESS BONDING THRESHOLD.**

17 Notwithstanding any other provision of law, for all
18 procurements related to Hurricane Katrina, the Adminis-
19 trator may, upon such terms and conditions as it may pre-
20 scribe, guarantee and enter into commitments to guar-
21 antee any surety against loss resulting from a breach of
22 the terms of a bid bond, payment bond, performance bond,
23 or bonds ancillary thereto, by a principal on any total work
24 order or contract amount at the time of bond execution
25 that does not exceed \$10,000,000.

1 **SEC. 10. SUPPLEMENTAL EMERGENCY LOANS.**

2 (a) IN GENERAL.—Section 7(a) of the Small Busi-
 3 ness Act (15 U.S.C. 636(a)) is amended by adding at the
 4 end the following:

5 “(32) SUPPLEMENTAL EMERGENCY LOANS
 6 AFTER HURRICANE KATRINA.—

7 “(A) LOAN AUTHORITY.—In addition to
 8 any other loan authorized by this subsection,
 9 the Administrator shall make such loans under
 10 this subsection (either directly or in cooperation
 11 with banks or other lending institutions through
 12 agreements to participate on an immediate or
 13 deferred basis) as the Administrator determines
 14 appropriate to a small business concern ad-
 15 versely affected by Hurricane Katrina, subject
 16 to subparagraph (B).

17 “(B) OVERSIGHT PROTECTIONS.—In mak-
 18 ing any loan under subparagraph (A)—

19 “(i) the borrower shall be made aware
 20 that such loans are for those adversely af-
 21 fected by Hurricane Katrina; and

22 “(ii) for loans made in cooperation
 23 with a bank or other lending institution—

24 “(I) lenders shall document for
 25 the Administrator how the borrower
 26 was adversely affected by Hurricane

1 Katrina, whether directly, or indi-
2 rectly; and

3 “(II) not later than 6 months
4 after the date of enactment of this
5 paragraph, and every 6 months there-
6 after until the date that is 18 months
7 after the date of enactment of this
8 paragraph, the Comptroller General
9 shall make a report regarding such
10 loans to the Committee on Small
11 Business and Entrepreneurship of the
12 Senate and the Committee on Small
13 Business of the House of Representa-
14 tives, including verification that such
15 loans are being used for purposes au-
16 thorized by this paragraph.

17 “(C) FEES.—

18 “(i) IN GENERAL.—Notwithstanding
19 any other provision of law, the Adminis-
20 trator shall, in lieu of the fee established
21 under paragraph (23)(A), collect an annual
22 fee of 0.25 percent of the outstanding bal-
23 ance of deferred participation loans made
24 under this subsection to qualified bor-

1 rowers for a period of 1 year after the date
2 of enactment of this paragraph.

3 “(ii) GUARANTEE FEES.—Notwith-
4 standing any other provision of law, the
5 guarantee fee under paragraph (18)(A) for
6 a period of 1 year after the date of enact-
7 ment of this subparagraph shall be as fol-
8 lows:

9 “(I) A guarantee fee equal to 1
10 percent of the deferred participation
11 share of a total loan amount that is
12 not more than \$150,000.

13 “(II) A guarantee fee equal to
14 2.5 percent of the deferred participa-
15 tion share of a total loan amount that
16 is more than \$150,000, but not more
17 than \$700,000.

18 “(III) A guarantee fee equal to
19 3.5 percent of the deferred participa-
20 tion share of a total loan amount that
21 is more than \$700,000.”.

22 (b) APPROPRIATION.—There is authorized to be ap-
23 propriated, and there is appropriated, \$75,000,000 to
24 carry out the amendment made by subsection (a).

1 **SEC. 11. SMALL BUSINESS PARTICIPATION.**

2 In order to facilitate the maximum practicable par-
 3 ticipation of small business concerns in activities related
 4 to relief and recovery from Hurricane Katrina, the Admin-
 5 istrator and the head of any Federal agency making pro-
 6 curements related to the aftermath of Hurricane Katrina,
 7 shall set a goal, to be met within a reasonable time, of
 8 awarding to small business concerns not less than 30 per-
 9 cent of amounts expended for prime contracts and not less
 10 than 40 percent of amounts expended for subcontracts on
 11 procurements such agency related to the aftermath of
 12 Hurricane Katrina.

13 **SEC. 12. ENERGY EMERGENCY RELIEF.**

14 (a) SMALL BUSINESS AND FARM ENERGY EMER-
 15 GENCY DISASTER LOAN PROGRAM.—

16 (1) SMALL BUSINESS DISASTER LOAN AUTHOR-
 17 ITY.—Section 7(b) of the Small Business Act (15
 18 U.S.C. 636(b)) is amended by inserting after para-
 19 graph (4), as added by this Act, the following:

20 “(5)(A) For purposes of this paragraph—

21 “(i) the term ‘base price index’ means the
 22 moving average of the closing unit price on the
 23 New York Mercantile Exchange for heating oil,
 24 natural gas, gasoline, or propane for the 10
 25 days, in each of the most recent 2 preceding

1 years, which correspond to the trading days de-
2 scribed in clause (ii);

3 “(ii) the term ‘current price index’ means
4 the moving average of the closing unit price on
5 the New York Mercantile Exchange, for the 10
6 most recent trading days, for contracts to pur-
7 chase heating oil, natural gas, gasoline, or pro-
8 pane during the subsequent calendar month,
9 commonly known as the ‘front month’;

10 “(iii) the term ‘significant increase’
11 means—

12 “(I) with respect to the price of heat-
13 ing oil, natural gas, gasoline, or propane,
14 any time the current price index exceeds
15 the base price index by not less than 40
16 percent; and

17 “(II) with respect to the price of ker-
18 osene, any increase which the Adminis-
19 trator, in consultation with the Secretary
20 of Energy, determines to be significant;
21 and

22 “(iv) a small business concern engaged in
23 the heating oil business is eligible for a loan, if
24 the small business concern sells not more than
25 10,000,000 gallons of heating oil per year.

1 “(B) The Administration may make such loans,
2 either directly or in cooperation with banks or other
3 lending institutions through agreements to partici-
4 pate on an immediate or deferred basis, to assist a
5 small business concern that has suffered or that is
6 likely to suffer substantial economic injury on or
7 after January 1, 2005, as the result of a significant
8 increase in the price of heating oil, natural gas, gas-
9 oline, propane, or kerosene occurring on or after
10 January 1, 2005.

11 “(C) Any loan or guarantee extended pursuant
12 to this paragraph shall be made at the same interest
13 rate as economic injury loans under paragraph (2).

14 “(D) No loan may be made under this para-
15 graph, either directly or in cooperation with banks
16 or other lending institutions through agreements to
17 participate on an immediate or deferred basis, if the
18 total amount outstanding and committed to the bor-
19 rower under this subsection would exceed
20 \$1,500,000, unless such borrower constitutes a
21 major source of employment in its surrounding area,
22 as determined by the Administration, in which case
23 the Administration, in its discretion, may waive the
24 \$1,500,000 limitation.

1 “(E) For purposes of assistance under this
2 paragraph—

3 “(i) a declaration of a disaster area based
4 on conditions specified in this paragraph shall
5 be required, and shall be made by the President
6 or the Administrator; or

7 “(ii) if no declaration has been made pur-
8 suant to clause (i), the Governor of a State in
9 which a significant increase in the price of heat-
10 ing oil, natural gas, gasoline, propane, or ker-
11 osene has occurred may certify to the Adminis-
12 tration that small business concerns have suf-
13 fered economic injury as a result of such in-
14 crease and are in need of financial assistance
15 which is not otherwise available on reasonable
16 terms in that State, and upon receipt of such
17 certification, the Administration may make such
18 loans as would have been available under this
19 paragraph if a disaster declaration had been
20 issued.

21 “(F) Notwithstanding any other provision of
22 law, loans made under this paragraph may be used
23 by a small business concern described in subpara-
24 graph (B) to convert from the use of heating oil,
25 natural gas, gasoline, propane, or kerosene to a re-

newable or alternative energy source, including agriculture and urban waste, geothermal energy, cogeneration, solar energy, wind energy, or fuel cells.”.

(2) CONFORMING AMENDMENTS.—Section 3(k) of the Small Business Act (15 U.S.C. 632(k)) is amended—

(A) by inserting “, significant increase in the price of heating oil, natural gas, gasoline, propane, or kerosene” after “civil disorders”; and

(B) by inserting “other” before “economic”.

(3) REPORT.—Not later than 12 months after the date on which the Administrator of the Small Business Administration issues guidelines under subsection (c)(1), and annually thereafter, the Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives, a report on the effectiveness of the assistance made available under section 7(b)(5) of the Small Business Act, as added by this subsection, including—

(A) the number of small business concerns that applied for a loan under that section

1 7(b)(5) and the number of those that received
2 such loans;

3 (B) the dollar value of those loans;

4 (C) the States in which the small business
5 concerns that received such loans are located;

6 (D) the type of energy that caused the sig-
7 nificant increase in the cost for the partici-
8 pating small business concerns; and

9 (E) recommendations for ways to improve
10 the assistance provided under that section
11 7(b)(5), if any.

12 (4) EFFECTIVE DATE.—The amendments made
13 by this subsection shall apply during the 4-year pe-
14 riod beginning on the earlier of the date on which
15 guidelines are published by the Administrator of the
16 Small Business Administration under subsection (c),
17 or 30 days after the date of enactment of this Act,
18 with respect to assistance under section 7(b)(5) of
19 the Small Business Act, as added by this subsection.

20 (b) FARM ENERGY EMERGENCY RELIEF.—

21 (1) IN GENERAL.—Section 321(a) of the Con-
22 solidated Farm and Rural Development Act (7
23 U.S.C. 1961(a)) is amended—

24 (A) in the first sentence—

1 (i) by striking “operations have” and
2 inserting “operations (i) have”; and

3 (ii) by inserting before “: *Provided*,”
4 the following: “, or (ii)(I) are owned or op-
5 erated by such an applicant that is also a
6 small business concern (as defined in sec-
7 tion 3 of the Small Business Act (15
8 U.S.C. 632)), and (II) have suffered or are
9 likely to suffer substantial economic injury
10 on or after January 1, 2005, as the result
11 of a significant increase in energy costs or
12 input costs from energy sources occurring
13 on or after January 1, 2005, in connection
14 with an energy emergency declared by the
15 President or the Secretary”;

16 (B) in the third sentence, by inserting be-
17 fore the period at the end the following: “or by
18 an energy emergency declared by the President
19 or the Secretary”; and

20 (C) in the fourth sentence—

21 (i) by inserting “or energy emer-
22 gency” after “natural disaster” each place
23 that term appears; and

24 (ii) by inserting “or declaration” after
25 “emergency designation”.

1 (2) FUNDING.—Funds available on the date of
2 enactment of this Act for emergency loans under
3 subtitle C of the Consolidated Farm and Rural De-
4 velopment Act (7 U.S.C. 1961 et seq.) shall be avail-
5 able to carry out the amendments made by para-
6 graph (1) to meet the needs resulting from natural
7 disasters.

8 (3) REPORT.—Not later than 12 months after
9 the date on which the Secretary of Agriculture
10 issues guidelines under subsection (c)(1), and annu-
11 ally thereafter, the Secretary shall submit to the
12 Committee on Small Business and Entrepreneurship
13 and the Committee on Agriculture, Nutrition, and
14 Forestry of the Senate and to the Committee on
15 Small Business and the Committee on Agriculture of
16 the House of Representatives, a report that—

17 (A) describes the effectiveness of the as-
18 sistance made available under section 321(a) of
19 the Consolidated Farm and Rural Development
20 Act (7 U.S.C. 1961(a)), as amended by this
21 section; and

22 (B) contains recommendations for ways to
23 improve the assistance provided under such sec-
24 tion 321(a).

1 (4) EFFECTIVE DATE.—The amendments made
2 by this subsection shall apply during the 4-year pe-
3 riod beginning on the earlier of the date on which
4 guidelines are published by the Secretary of Agri-
5 culture under subsection (c), or 30 days after the
6 date of enactment of this Act, with respect to assist-
7 ance under section 321(a) of the Consolidated Farm
8 and Rural Development Act (7 U.S.C. 1961(a)), as
9 amended by this subsection.

10 (c) GUIDELINES AND RULEMAKING.—

11 (1) GUIDELINES.—Not later than 30 days after
12 the date of enactment of this Act, the Administrator
13 of the Small Business Administration and the Sec-
14 retary of Agriculture shall each issue guidelines to
15 carry out subsections (a) and (b), respectively, and
16 the amendments made thereby, which guidelines
17 shall become effective on the date of their issuance.

18 (2) RULEMAKING.—Not later than 30 days
19 after the date of enactment of this Act, the Adminis-
20 trator of the Small Business Administration, after
21 consultation with the Secretary of Energy, shall pro-
22 mulgate regulations specifying the method for deter-
23 mining a significant increase in the price of kerosene
24 under section 7(b)(5)(A)(iii)(II) of the Small Busi-
25 ness Act, as added by this Act.

1 **SEC. 13. BUDGETARY TREATMENT OF LOANS AND**
2 **FINANCINGS.**

3 (a) IN GENERAL.—Assistance made available under
4 any loan made or approved by the Administration under
5 this Act, subsections (a) or (b) of section 7 of the Small
6 Business Act (15 U.S.C. 636(a)), as amended by this Act,
7 except for subsection 7(a)(23)(C), or financings made
8 under title V of the Small Business Investment Act of
9 1958 (15 U.S.C. 695 et seq.), as amended by this Act,
10 on and after the date of enactment of this Act, shall be
11 treated as separate programs of the Small Business Ad-
12 ministration for purposes of the Federal Credit Reform
13 Act of 1990 only.

14 (b) USE OF FUNDS.—Assistance under this Act and
15 the amendments made by this Act shall be available effec-
16 tive only to the extent that funds are made available under
17 appropriations Acts, which funds shall be utilized to offset
18 the cost (as such term is defined in section 502 of the
19 Federal Credit Reform Act of 1990) of such assistance.

20 **SEC. 14. EMERGENCY SPENDING.**

21 Appropriations under this Act are designated as
22 emergency spending, as provided under section 402 of H.
23 Con. Res. 95 (109th Congress).

